

INTRODUCTION*

This special issue of the *Philippine Journal of Development (PJD)* is dedicated to Professor Alejandro N. Herrin in recognition of his numerous contributions to research and policy in population, social services, and development in the Philippines and other countries, and his mentoring of a generation of scholars and policy practitioners in these areas.

Most of the articles in this issue were presented during the Workshop in Honor of Professor Alejandro N. Herrin held on August 14, 2006 at the NEDA sa Makati Building in Makati City. Additional articles were later submitted by other scholars who also wanted to join us in honoring a great teacher, colleague, and friend. The papers included in this special issue are revised versions of said papers following the comments of the reactors during the workshop and also of the editors in keeping with the *PJD* standard. The full set of papers, including the comments, will be published in a separate volume.

While the topics of the papers were independently chosen by the contributors, they reflect the wide range of issues of interest to Dr. Herrin. What follows is a summary of the papers in this volume.

Quisumbing and McNiven looked at the experience of migrants using the 1984/85 Bukidnon Panel Survey of 448 families and their children and a special survey conducted in 2004 for 257 of the migrant offspring. The study showed that *poblaciones* and urban areas tend to attract better-educated individuals who move to find better jobs while rural areas generally attract migrants who want to take up farming or to get married. In addition, it also finds that migrants' reasons for moving differ by destination and by gender. Migration to rural areas by males is often due to economic reasons while for female migrants, it is due to life-cycle reasons, particularly marriage. At the *poblaciones*, most male and female migrants move for economic reasons. This is also the same for male migrants at the urban areas while economic and life-cycle factors are equally important for female migrants. Using the fixed effects logit estimation procedure to control for family-level unobservables and individual and family-level variables such as child's sex, age, age squared, education, and the interaction between child

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sex and family-level characteristics and sibling composition as explanatory variables, the paper finds that the most important determinants of an individual's location decision are life-cycle effects, specifically marriage and educational attainment.

Using data from 74 provinces from 1985 to 2003, Mapa, Balisacan, and Briones estimated the impact of population dynamics on provincial per capita income growth and poverty reduction. The study showed that the proportion of young dependents to total population in the initial year (1985) is a robust negative determinant of income growth per person and can explain a significant proportion of the growth differentials among provinces with high and low proportion of young dependents. In particular, a one percentage point reduction in the proportion of young dependents in 1985 results in a 7.5 basis point increase on the average provincial per capita income growth rate. The estimates also showed a positive relationship between average per capita income growth and the rate of headcount poverty reduction with a growth elasticity of 1.45 percent.

Alba and See used pseudo-panels from the public use data files of the Family Income and Expenditures Survey (FIES) of various years to study whether the saving behavior of Filipino households fits the life-cycle hypothesis. The study showed that the cohort effect raises the age profile of income by 2.5 percent per year and consumption by 2.6 percent per year. The authors pointed out that these are much faster than the 1.29 percent and 0.25 percent average annual growth rates of the Philippines' GDP per capita and GDP per worker between 1990 and 2000, respectively. Accordingly, they argued that this suggests that Filipino households do not behave as the life-cycle hypothesis prescribes, which says that individuals and households save when young or newly formed and dissave during the elderly or retirement years.

Gultiano and King evaluated the impact of the Philippine government's five-year Early Childhood Development (ECD) Project implemented in 1999 in Regions 6, 7, and 12. The project aimed to improve the survival and development potential of children, particularly the disadvantaged. Specifically, this study assessed the impact of the ECD Project on (1) ECD service utilization and (2) child health and development. The data used consisted of a baseline survey conducted in 2001, a second survey conducted in 2002–2003, and a third survey in 2003–2004. Sample households were randomly selected from households of lower to middle socioeconomic status with children 0–4 years old and those with pregnant women in the program regions (Region 6 and Region 7) and a control region (Region 8). Controlling for the possibility of differential impacts by age of children and duration of exposure to the project, the study found: (1) evidence of mixed project impact on ECD service utilization, and (2) a

significant improvement in the psychosocial development and also in the short-term nutritional status of children who reside in project areas compared to those in nonproject areas, particularly for those under age four at the end of the evaluation period.

Orbeta looked at the interaction of poverty, fertility preferences, and family planning practice in the Philippines using the nationally representative Family Planning Surveys conducted annually since 1999 augmented by census and other survey data. Thus, the study provides recent and nationally representative empirical evidence on the long-running but largely unresolved debate in the country on the relationship between fertility preferences and family planning practice given different socioeconomic status. The paper estimated a recursive qualitative response model to identify the determinants of fertility preferences and family planning practice across socioeconomic groupings in addition to cross-tabulation analyses. The paper shows that while the number of children ever born is indeed larger among poorer households, their demand for additional children is lower and their contraceptive practice is poorer. The author argued that these results indicate that, in the case of the Philippines, the larger number of children among the poor is more the result of poorer contraceptive practice rather than the higher demand for additional children.

Whereas the first five papers are primarily empirical, all in keeping with Dr. Herrin's insistence on solid evidence, the paper by Quimbo is theoretical but also with clear policy implication. The paper begins with a stylized bargaining model of health care markets where information may be asymmetric and can thus endow the provider the market power to charge monopoly prices. To do so, however, the provider needs to know the patient's willingness to pay. The model's novel feature shows how a price-discriminating provider can use different types of medical technologies to make patients self-select and therefore indirectly reveal their income status. By showing the exact conditions when the so-called superior or modern technologies are used more to extract monopoly rents rather than to provide higher quality services, this paper has policy implications on the setting of appropriate provider payments under insurance and on the grant of tax breaks for imported medical equipment.

The last two papers address more directly policy-relevant research questions. The first one, by the team of Racelis, Dy-Liacco, Sabenano, Beltran, and Manaog, presents new findings concerning the sources and uses of health expenditures in the Philippines. By improving on the then-existing methodology, the authors are able to show how health expenditures in 2003 have been used—by health provider, by health care function, by geographic unit, and by other types of uses and users not previously made available. Since such detailed findings are now possible, the authors argue

that the improved National Health Accounts can be used further for goal and target setting, and for monitoring the health outcomes of the *FOURmula ONE* for Health of the Department of Health.

In the last paper, Capuno compares the design and implementation features of the social health insurance for the poor programs of the Philippines and Vietnam. Specifically, the comparison is made between the Philippines' National Health Insurance Program-Sponsored Program and Vietnam's Health Care Funds for the Poor Program in terms of revenue collection, risk pooling, and purchasing. Although the two countries have different political structures, their level of socioeconomic development and decentralized health structures are similar. Thus, their respective experiences provide counterfactual experiences with alternative insurance program features. As the older program, the NHIP-SP has lessons for the HCFP. The HCFP, however, seems more successful in enrolling the poor. The paper concludes that since the local governments in the Philippines and Vietnam have the dual functions of insurance financier and service provider, this setup makes the typically prescribed provider payment scheme, enrollment financing arrangements, and quality assurance and accreditation standards less appropriate under a decentralized health system.



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